

REPORT ON EXAMINATION  
IMPERIAL COUNTY SHERIFF-CORONER  
CAL-MMET  
OES GRANT MH07020130  
JANUARY 1, 2008 TO OCTOBER 31, 2008



DATE RECEIVED:



AUDIT REVIEW #(s) 04476

Assigned To: Ryan

Date Reviewed: 3/2/09

Reviewer's Initials: JR

Date Review(s) Completed: 3/9/09



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CAL-MMET  
OES GRANT MH07020130  
JANUARY 1, 2008 TO OCTOBER 31, 2008

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## AUDITOR-CONTROLLER

January 21, 2009

Board of Supervisors  
County of Imperial  
and,  
Sheriff Raymond Loera  
Imperial County Sheriff-Coroner  
and,  
Michael Baldwin  
Governor's Office of Emergency Services  
Grants Management Branch  
3650 Schriever Avenue  
Mather, CA 95655

Honorable Board Member  
and,  
Sheriff Loera  
and,  
Mr. Baldwin:

We have audited the Imperial County Sheriff-Coroner's California Multi-Jurisdictional Methamphetamine Enforcement Team (Cal-MMET) grant award number MH07020130 financial statements for the grant period of January 1, 2008 through October 31, 2008. These financial statements are the responsibility of the Imperial County Sheriff-Coroner's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the accompanying financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

# INDEPENDENT AUDITOR'S REPORT



On this date, and in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, we have also issued a report on our consideration of internal control structure related matters and compliance with laws and regulations based on an audit of financial statements of the California Multi-Jurisdictional Methamphetamine Enforcement Team. The internal control and compliance reports are an integral part of this audit and should be considered with the results of our report on the financial statements.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respect, the financial position of the Cal-MMET grant as of October 31, 2008, in conformity with generally accepted accounting principles of the United States of America.

We thank the Imperial County Sheriff department's staff for their cooperation during the audit. Their assistance contributed significantly to the successful completion of our audit.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Douglas R. Newland".

Douglas R. Newland, CPA  
Auditor-Controller

## EXECUTIVE SUMMARY

### OVERVIEW:

On February 6, 2008, the Imperial County Sheriff-Coroner received a grant award notification of approval of the California Multi-Jurisdictional Methamphetamine Enforcement Team (Cal-MMET) grant award number MH07020130 in the amount of \$750,000. The grant was awarded by the Governor's Office of Emergency Services. The funds are to be utilized to further, both, the Imperial County Sheriff's Office (ICSO) and the Imperial County Narcotics Task Force (ICNTF) efforts in disrupting and dismantling clandestine labs and organizations that manufacture and distribute methamphetamine, including precursor trafficking. These funds will also be used to enhance the Drug Endangered Children Program.

The initial grant period was from January 1, 2008 through June 30, 2008. In April 2008, the Sheriff's office received permission to extend the grant to September 30, 2008. A second extension was granted in November 2008 to extend the grant to October 31, 2008.

Total grant expenditures were \$733,504.

### OVERALL OBJECTIVE:

Our purpose was to provide the Governor's Office of Emergency Services and the Board of Supervisors with an independent assessment of the adequacy of internal controls over the accounting for grant funds and to verify the appropriateness of the expenditures in meeting the grant's objectives.

### OVERALL CONCLUSION:

Based upon the results of our audit, we determined that the Imperial County Sheriff-Coroner's Office did have proper internal controls over the grant accounting process.

However, we have determined that the department is in violation of county ordinance 3.08.190 section D relating to sick leave, as an employee was coded portions of an hour of sick leave when the employee should have been coded sick leave to the nearest full hour.

Details about our audit methodologies, results, findings and recommendations are provided in the body of our report.

# INDEPENDENT AUDITOR'S REPORT



## OBJECTIVES

To determine:

- Compliance of the Imperial County Sheriff's Office with grant objectives.
- That grant funds of the California Multi-Jurisdictional Methamphetamine Enforcement Team for the audit period of January 1, 2008 through October 31, 2008 were properly expended.
- The existence of an adequate system of internal controls over grant accounting process.

## METHODOLOGY:

To accomplish our objectives we:

- Reviewed grant application and award contract.
- Evaluated the program's organization structure.
- Conducted internal control questionnaire with department personnel.
- Reviewed and compared budget to actual grant expenditures and reported to actual grant expenditures.
- Reviewed and evaluated payroll transactions.

## RESULTS:

### Finding 1: Sick Leave Deductions

- **Condition:**

On several occasions, Imperial County Sheriff's payroll department charged portions of an hour of sick leave to an employee's account.

Per county ordinance 3.08.190 section D, in any instance involving use of a fraction of a day's sick leave, the minimum charge to the employee's or appointive officer's sick leave account shall be one hour, while additional actual absence over one hour shall be charged to the nearest full hour . . .

- **Effect:**

Sick leave was not paid in accordance with county ordinance 3.08.190. As a result, the employee's sick leave account was under charged.

- **Cause:**

Imperial County Sheriff's payroll department not following or understanding payroll ordinances related to sick leave deductions.

- **Criteria:**

Imperial County Ordinance 3.08.190.

- **Recommendation:**

The payroll department should follow county ordinance 3.08.190 and charge employees' sick leave to the nearest full hour as stipulated by this ordinance.

- **Management Response:**

The Sheriff's Office Business Manager reviewed the Cal-MMET payroll records with the Account Clerk III that processed the Cal-MMET payroll. This review determined that on five occasions sick time was not posted in full hour increments as required by ordinance 3.08.190. The Account Clerk III has been reminded that ordinance 3.08.190 requires that sick leave be posted in full hour increments. In addition the Cal-MMET employee has been reminded that sick time must be taken in one hour increments. Future postings will be in one hour increments as required by ordinance 3.08.190.

# INDEPENDENT AUDITOR'S REPORT



## OTHER REPORTS





## AUDITOR-CONTROLLER

### INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

January 21, 2009

Board of Supervisors  
County of Imperial  
and,  
Sheriff Raymond Loera  
Imperial County Sheriff-Coroner  
and,  
Michael Baldwin  
Governor's Office of Emergency Services  
Grants Management Branch  
3650 Schriever Avenue  
Mather, CA 95655

Honorable Board Members  
and,  
Sheriff Loera  
and,  
Mr. Baldwin:

We have audited the Statement of Revenues and Expenditures – Budget and Actual, of the Imperial County Sheriff-Coroner's Office California Multi-Jurisdictional Methamphetamine Enforcement Team grant award number MH07020130 for the period of January 1, 2008 through October 31, 2008, and have issued our report thereon dated January 21, 2009.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatements.

# INDEPENDENT AUDITOR'S REPORT



In planning and performing our audit of the Statement of Revenues and Expenditures – Budget and Actual, of the Imperial County Sheriff-Coroner's Office California Multi-Jurisdictional Methamphetamine Enforcement Team grant, for the ten months ended October 31, 2008, we considered the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the above financial statements and not to provide assurance on the internal control structure.

The management of the Sheriff-Coroner's office is responsible for establishing and maintaining the internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of the financial statements in accordance with generally accepted accounting principles of the United States of America. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purposes of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Payroll
- Operating Expenditures
- Revenues/Receipts
- Administrative Controls

For all internal control categories mentioned above, we assessed the control risk and obtained an understanding of relevant policies and procedures and whether they have been placed in operation.

Our consideration of the internal control structure would not necessarily identify all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in their normal course of performing the assigned duties. We noted no matters involving the internal control structure that we consider to be material weaknesses as defined above.

# INDEPENDENT AUDITOR'S REPORT



This report was discussed with staff of the Imperial County Sheriff-Coroner on January 21, 2009, and is intended for the information of the management of the Sheriff-Coroner, the Board of Supervisors, and Governor's Office of Emergency Services. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Douglas R. Newland".

Douglas R. Newland, CPA  
Auditor-Controller

Douglas R. Newland, CPA  
Auditor-Controller  
dougnewland@imperialcounty.net



County Administration Center  
940 Main Street, Suite 108  
El Centro, California 92243  
Telephone: 760-482-4535  
FAX: 760-482-4557

## AUDITOR-CONTROLLER

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF A FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

January 21, 2009

Board of Supervisors  
County of Imperial  
and,  
Sheriff Raymond Loera  
Imperial County Sheriff-Coroner  
and,  
Michael Baldwin  
Governor's Office of Emergency Services  
Grants Management Branch  
3650 Schriever Avenue  
Mather, CA 95655

Honorable Board Members  
and,  
Sheriff Loera  
and,  
Mr. Baldwin:

We have audited the Statement of Revenues and Expenditures – Budget to Actual, of the Imperial County Sheriff-Coroner's Office California Multi-Jurisdictional Methamphetamine Enforcement Team grant award number MH07020130 for the period of January 1, 2008 through October 31, 2008, and have issued our report thereon dated January 21, 2009.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatements.

# INDEPENDENT AUDITOR'S REPORT



Compliance with laws, regulations, contracts, and grants applicable to the California Multi-Jurisdictional Methamphetamine Enforcement Team is the responsibility of the Sheriff-Coroner's management. As part of obtaining reasonable assurance about whether the financial statement is free of misstatement, we performed tests of the Sheriff-Coroner's compliance with certain provisions of the laws, regulations, contracts and grant agreements. However, our objective was not to provide an opinion on the overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the Sheriff-Coroner complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the Sheriff-Coroner has not complied, in all material respects, with those provisions.

This report was discussed with staff of the Sheriff-Coroner on January 21, 2009, and is intended for the information of the management of the Sheriff-Coroner, the Board of Supervisors, and the Governor's Office of Emergency Services. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Douglas R. Newland".

Douglas R. Newland, CPA  
Auditor-Controller

# INDEPENDENT AUDITOR'S REPORT



## EXHIBIT A

Imperial County Sheriff-Coroner  
California Methamphetamine Enforcement Team (Cal-MMET)  
Grant Number MH07020130  
Comparative Statement of Revenues and Expenditures - Budget and Actual  
January 1, 2008 through October 31, 2008

	<u>Budgeted</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>Revenue</u>			
Grant Revenue	\$ 750,000	\$ 733,504	\$ (16,496)
<u>Expenditures</u>			
Salaries and Benefits	92,336	92,333	3
Operating Expenses	348,551	332,058	16,493
Equipment	309,113	309,113	-
Total Expenditures	<u>\$ 750,000</u>	<u>\$ 733,504</u>	<u>\$ 16,496</u>
Excess (Deficit) Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

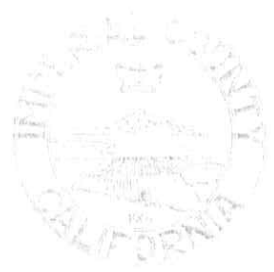
**AUDIT RESPONSE**  
**IMPERIAL COUNTY SHERIFF: CAL-MMET GRANT**  
**FOR THE PERIOD JANUARY 1, 2008 TO OCTOBER 31, 2008**

**FINDING 1**

The Sheriff's Office Business Manager reviewed the CAL-MMET payroll records with the Account Clerk III that processed the CAL-MMET payroll. This review determined that on five occasions sick time was not posted in full hour increments as required by Ordinance 3.08.190. The Account Clerk III has been reminded that Ordinance 3.08.190 requires that sick leave be posted in full hour increments. In addition the CAL-MMET employee has been reminded that sick time must be taken in one hour increments. Future postings will be in one hour increments as required by Ordinance 3.08.190.



**IMPERIAL COUNTY SHERIFF'S OFFICE**  
**RAYMOND LOERA**  
SHERIFF • CORONER • MARSHAL



February 9, 2009

Douglas R. Newland, CPA  
Auditor-controller  
County Administration Center  
940 Main Street, Suite 108  
El Centro, CA 92243

Mr. Newland,

Attached is the Sheriff's CAL-MMET audit response for the period January 1, 2008 to October 31, 2008. If you have any questions regarding the responses, please contact me at 339-6303 or Scott Schmidt at 339-6336.

Thank you and your department for your assistance on this matter.

A handwritten signature in cursive script, appearing to read "Raymond Loera".

Raymond Loera  
Sheriff

Cc: Julie Villeneuve  
Amparo Chavez

**RECEIVED**

**FEB 10 2009**

**AUDITOR-CONTROLLER  
IMPERIAL COUNTY**